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Uzbekistan - Republic of

Cotton and Products Annual

Uzbekistan Cotton and Products Annual Report 2017

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Report Highlights:

Uzbek cotton planted area and production target for MY 2017/18 is announced as 1.2 million hectares and about 3.18 MMT of seed cotton. The Government of Uzbekistan (GOU) continues with its plan to lower the targeted cotton planting area and production of seed cotton to increase vegetable and fruit production in the areas where seed cotton yields are low. Domestic cotton consumption is increasing year by year with new investments which are reducing cotton availability for exports. Accordingly, MY2016/17 domestic consumption is estimated about 1.93 million 480 pounds bales (400,000 MT) and exports 1.74 million bales (380,000 MT).

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Production

MY 2017/2018 cotton planting will take place in April. Cooler than usual weather, and rains during the month of March, are reported to have delayed planting. Winter rains, cold weather, and snow will help to provide water needed and also prevent suitable environment for pests during the coming season.

The GOU is moving along with the recent plan to carry out structural reforms in agriculture and the economy. Accordingly, cotton planting area will be reduced gradually until 2020 to lower domestic production to about 3 MMT of seed cotton, compared to 3.35 MMT of earlier years. The intention of the government is to reduce planting in areas where field yields are lower than the country average, such as in highly salinized areas and mountain regions, and to facilitate production of other crops such as vegetables (particularly potatoes), fruits, and grains instead. It is indicated that with the new initiative a total of 170,000 hectares of land will be available to plant products other than cotton. Accordingly, in MY 2016/17 about 30,500 hectares has taken out of cotton production and in MY 2017/18 about 50,000 hectares will be taken out as well. As a result, MY 2017/18 planned planting area is 1.2 million hectares and production target is 3.18 MMT of seed cotton, about 4.22 million bales (920,000 MT) of lint cotton, which represents a reduction of four percent and three percent, respectively, from the government targets of last year.

Table 1. MY 2017/18 Uzbekistan seed cotton planting and production targets estimates

Province	Area (Ha)	Cotton (MT)
Kashkadar	153,360	404,650
Syrkhandar	99,510	279,700
Bukhara	105,000	329,160
Sydarya	101,800	227,780
Ferghana	95,850	278,400
Dzhizak	93,500	212,900
Karakalpak	91,600	184,200
Khorezm	90,300	249,400
Andizhan	89,600	261,300
Tashkent	87,300	227,610
Samarkand	84,300	208,600
Namangan	79,280	220,400
Navoi	34,600	96,600
TOTAL	1,206,000	3,180,700

Note: Table based on Post estimates based on available information

Negative conditions during the season such as bug attacks, high temperatures during summer, lack of quality seeds, scarcity of water, and chemicals have all taken larger than anticipated tolls on the MY 2016/17 cotton crop. Accordingly, MY 2016/17 production is now estimated about 3.67 million bales (800,000 MT).

Seeds

It is estimated that about half of the planted seeds for the next season will be early-ripening types such as Sultan and Namangan -77 as these varieties have better yields and resistance to various common diseases. About one-third of the rest of the varieties will be mid-ripening such as Bukara 6 and Bukara 8, and the rest are new varieties such as Parlak.

Consumption

The GOU is continuing to promote domestic consumption by assisting local and foreign investments in yarn, textiles and garment production. According to industry sources, about forty percent of locally produced cotton is consumed domestically. MY 2016/17 domestic consumption is estimated at 1.8 million bales (400,000 MT). The textile industry plays an important role in Uzbekistan's economy. It employs one-third of the industrial work force and its share of industrial output is 26 percent. Presently about 180 enterprises are engaged in textile production in Uzbekistan. The Uzbek government is encouraging new partnerships for larger use of cotton domestically. Many new textile production investments are approved that will increase domestic consumption gradually in the coming years. Uzbekistan's exports of cotton yarn, textiles, and readymade garment exports are estimated to exceed US\$1 billion in 2016.

Ginning

There are 99 gins in Uzbekistan with one owned by a private company but the rest owned by the government and another one on the project stage. The GOU has a program to modernize its existing gins with older technology in order to improve ginning rates. According to official sources, Uzbekistan is planning to renovate its old technology cotton gins in five years. Accordingly, a total of seventeen gins were scheduled for renovation in 2016 and additional twenty are scheduled for renovation in 2017. The government is also considering privatization of some of the mills in the coming years. Old ginning machines work with a slower speed and the ginning process of all the seed cotton produced takes up to six months. On the other hand, the slow speed assists to protect fiber length and unity.

Trade

The newly established company named "Uzpakhtasanoateksport" is responsible for receiving and processing raw cotton and exports of cotton fiber. In general, Uzbekistan exports about sixty percent of its lint cotton production annually but lower production in MY 2016/17 and increase in domestic consumption decreased availability for exports.

China and Bangladesh continue to be the main markets for Uzbek cotton, though lower availability affected early season exports. Accordingly, China's imports of Uzbek cotton during the first seven months of MY 2016/17 were down to 53,000 MT compared to 104,000 MT of last year.

There are no official Uzbek statistics for exports by country available, however sources indicate that it is due to large exports to non-reporting countries such as Bangladesh. According to sources, in some years exports to Bangladesh reach as high as 300,000 MT. Uzbek cotton exports to Turkey and Iran increased significantly during the first half of MY2016/17. Accordingly, exports to Turkey were

21,700 MT, up from 10,400 MT of MY 2015/16 and exports to Iran were 13,000 MT, up from 4,000 MT. Exports to Russia were about 600 MT during the first five months of the marketing year.

China and Russia are among the leading export markets for Uzbek cotton yarn so far in MY 2016/17. China imported 52,500 MT of Uzbek cotton yarn during the first seven months of the marketing year and Russia imported 32,000 MT during the first five months of the marketing year. Turkey's imports of Uzbek cotton yarn for the first half of the marketing year were about 9,500 MT. Other destinations for Uzbek cotton yarn during the same period were Iran with 2,000 MT and Portugal with 800 MT. Poland's imports were 2,300 MT during the first five months of MY 2016/17.

Uzbek Cotton PSD

Cotton (1000 HA, 1000 480 lb. Bales)						
Cotton	2015/2016		2016/2017		2017/2018	
Market Begin Year	May 2015		May 2016		May 2017	
Uzbekistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	1280	0	1255	0	1206
Area Harvested	1285	1280	1180	1255	0	1206
Beginning Stocks	1148	1370	948	1100	0	1190
Production	3800	4130	3550	3670	0	4220
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	4948	5500	4498	4770	0	5410
Exports	2500	2750	1700	1745	0	2295
Use	1500	1650	1550	1835	0	2020
Loss	0	0	0	0	0	0
Total Dom. Cons.	1500	1650	1550	1835	0	2020
Ending Stocks	948	1100	1248	1190	0	1095
Total Distribution	4948	5500	4498	4770	0	5410